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RUEHKA/AMEMBASSY DHAKA 0139  
RUEHKT/AMEMBASSY KATHMANDU 0136  
RUEHLM/AMEMBASSY COLOMBO 0139  
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UNCLAS SECTION 01 OF 02 TASHKENT 000235

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TAGS: [ECON](#) [ETRD](#) [KIPR](#) [UZ](#)  
SUBJECT: UZBEKISTAN: SPECIAL 301 REVIEW RECOMMENDATION

REF: a) 08 TASHKENT 239

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REFERENCES: 08 Tashkent 239

1. (SBU) SUMMARY: Uzbekistan made little noticeable progress in development and enforcement of IPR legislation in 2008. It is difficult for a consumer to find music, video, and software products that can with confidence be identified as licensed; pirated versions are still the norm. We are encouraged, however, that at the end of 2008 the Government of Uzbekistan (GOU) created a working group specifically to study IPR issues and propose new legislation. This could improve IPR protection in Uzbekistan in the years to come.

2. (SBU) Post recommends that Uzbekistan remain on the Special 301 watch list but that General System of Preferences (GSP) privileges remain in place. End summary.

COPYRIGHT ENFORCEMENT STRIDES?  
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3. (SBU) In 2008 we have seen little direct evidence of measures taken by Uzbekistan to implement its 2006 "Law on Copyright and Related Rights." The closure of the Nirvana music store chain following seizure of pirated CDs early in the year (reftel) was short lived. Within weeks the Nirvana stores were back in business with what appeared to be pirated CDs on their counters. Authorities also shut down the CD section in the Yangiabad bazaar, the largest flea market in Tashkent, but new shops marketing pirated CDs were opened quickly in other parts of the city, including in large downtown shopping centers.

4. (SBU) Microsoft is continuing its technical assistance to the national copyright authority from its office in Almaty to help develop effective strategies to combat piracy. Earlier the Copyright Agency had agreed to prevent pirated Microsoft software sales in Tashkent, but official distributors charging \$300-350 USD for Microsoft XP, Vista, and Office have a hard time competing with hardware dealers who offer pirated Microsoft software as a free option to consumers purchasing new PCs. As we reported previously (reftel), authorities say a major problem in piracy enforcement is the lack of "reasonably priced" licensed goods for local markets.

IS IT POSSIBLE TO BUY LEGAL PRODUCTS IN UZBEKISTAN?  
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5. (SBU) The individual consumer will find it very difficult to find music, video, and software in Tashkent that is without a doubt licensed. In a random survey, our Pol/Econ FSN tried to find licensed products in Tashkent stores, but he found only a very limited selection of music CDs that to him appeared definitely to be licensed. From the labeling he surmised that even these licensed CDs for the most part had been brought into Uzbekistan by black market dealers who avoid high Uzbek import tariffs by trucking in products illegally from neighboring countries.

6. (SBU) Legal Microsoft products do not seem to exist in Tashkent stores. There are several Microsoft-approved vendors, but these exist mainly to serve government and other official institutions. When our FSN contacted these vendors to ask where he

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could buy licensed Microsoft software for home use, the response was one of surprise that an individual would even try to buy licensed software.

7. (SBU) Despite this less than ideal situation, Alexander Strakh, Law and Corporate Affairs Group IPR Attorney for Microsoft in Moscow, told us that the Copyright Agency of Uzbekistan is working to improve IPR legislation. In early February, 2009, the Copyright Agency asked him to come to Tashkent

to participate in a working group on IPR issues that was mandated by government decree at the end of 2008 and is chaired by Alisher Hafizov. According to Strakh, the Uzbek criminal code punishes plagiarism but not copyright violation. He continued that the Uzbek working group has already developed new draft IPR legislation but that it, too, is inadequate. Strakh concluded that the best route for Uzbekistan would be to adapt existing IPR legislation from Russia or Kazakhstan. He said he hoped he could persuade the GOU, but he was not sure if he would be invited back for the next working group meeting.

SALE, NOT PRODUCTION, OF PIRATED GOODS

18. (SBU) As we indicated last year (reftel), Uzbekistan is a market for packaged pirated goods, most of them from outside the country. It is not a large producer of pirated goods, though vendors do produce one-off copies of software and music on demand. Losses to copyright owners are probably relatively small, as Uzbek consumers' purchasing power is severely limited, and few licensed goods are available.

KEEP UZBEKISTAN ON WATCH LIST; MAINTAIN GSP PRIVILEGES

19. (SBU) The Government of Uzbekistan continues to face challenges in developing and implementing IPR legislation. We have seen no significant improvement in enforcement efforts since last year, although occasional small raids continue to be conducted. The availability of pirated music, video, and software appeared just as great at the end of 2008 as at the start.

110. (SBU) The most encouraging IPR development in Uzbekistan in 2008 was the formation of a government working group specifically to address IPR issues. Although the Copyright Agency continues to be sparsely funded and staffed, the existence of this working group shows that IPR protection has gotten the attention of the GOU.

111. (SBU) Uzbekistan should remain on the Special 301 Watch List, but GSP privileges should remain in place.  
BUTCHER

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